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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: financing of the United Nations Interim Force in Lebanon

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$112,042,500
Expenditure for 2002/03	$107,596,800
Appropriation for 2003/04	$90,000,000
Proposal submitted by the Secretary-General for 2004/05	$94,741,200
Recommendation of the Advisory Committee for 2004/05	$92,960,300

I. Introduction

1. **The recommendations of the Advisory Committee contained in paragraphs 16 and 28 below, would entail a reduction of $1,780,900 to the proposed budget for the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 2004 to 30 June 2005. The Committee also makes a number of observations and recommendations with regard to the administration and management of the Force and opportunities for further savings.**

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2. **The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNIFIL.**

3. The documents used by the Advisory Committee in its consideration of the financing of UNIFIL are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2002 to 30 June 2003

4. On the recommendation of the Advisory Committee, the General Assembly, by its resolution 56/214 B of 27 June 2002, appropriated to the Special Account for UNIFIL an amount of $117,123,800 for the period from 1 July 2002 to 30 June 2003, inclusive of $112,042,500 gross for the maintenance of the Force, $4,537,700 for the support account and $543,600 for the United Nations Logistics Base at Brindisi, Italy. The total amount appropriated has been assessed on Member States.

5. Expenditures for the period totalled $107,596,800 gross ($103,076,600 net), which is $4,445,700, or 4.0 per cent, lower than the appropriation of $112,042,500.

6. The unutilized balance of $4,445,700 reflects a decrease of $2,486,300 under military and police personnel, due primarily to savings under travel on emplacement, rotation and replacement; an increase of $546,100 under civilian personnel, which is attributable mainly to a salary increase for national staff effective 1 August 2002; and a decrease of $2,505,500 under operational costs, which is attributable mainly to: (a) a decision not to purchase large-capacity generators; (b) lower than anticipated cost of repair and maintenance services for vehicles and armoured personnel carriers, as a result of the reduction in the fleet size from 750 to 695 vehicles; and (c) a successful settlement of landlords' claims.

7. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2004 to 30 June 2005 in the paragraphs below.

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 29 February 2004, a total of $3,510,735,712 had been assessed on Member States in respect of UNIFIL since its inception. Payments received as at the same date amounted to $3,241,477,620, leaving an outstanding balance of $269,258,092. As at 1 March 2004, the cash position of the mission was $120,900,000 and unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $7,034,203.

9. The Advisory Committee was informed that troop-cost reimbursement up to 31 October 2003 totalled $1,097,011,811, while the amount owed for the period from 1 November 2003 to 29 February 2004 was $9,131,328. With regard to contingent-owned equipment, the Committee was informed that, as at 29 February 2004, an amount of $25,916,700 had been reimbursed and the estimated amount owed was

$11,483,700, while unliquidated obligations for the period up to 30 June 2004 totalled $8,049,709. In respect of death and disability compensation, $20,261,500 had been paid as at 29 February 2004 for 453 claims. No claims were pending and unliquidated obligations amounted to $5,864,500.

10. The Advisory Committee was informed that, as at 29 February 2004, the incumbency for UNIFIL for the period from 1 July 2003 to 30 June 2004 was as follows:

	Posts authorized	*Posts encumbered*	*Vacancy/delayed deployment rate (percentage)*
Military contingent personnel	2,000	1,994	0.3
International staff	124	115	7.2
National staff	305	296	2.9

11. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004, as at 29 February 2004 (see annex). Expenditure for the period amounted to $67,720,300 gross ($65,044,600 net), against an apportionment of $90,000,000 gross ($86,200,900 net).

IV. Proposed budget for the period from 1 July 2004 to 30 June 2005

A. Mandate and planned results

12. **The Advisory Committee commends the mission for the progress it has made in formulating its budget document using results-based techniques. However, the list of expected accomplishments under component 2, support, reflects, in the opinion of the Committee, indicators of achievement, rather than expected accomplishments. Moreover, some indicators of achievements (e.g., 1.1.1 and 1.2.1) should be made measurable to allow an objective analysis of progress made in the implementation of the achievement.**

13. Upon enquiry, the Committee was provided with information on the humanitarian aspects of the mission's activities. As indicated therein, UNIFIL cooperates with the Office of the United Nations High Commissioner for Refugees, the United Nations Children's Fund, the International Committee of the Red Cross and other entities active in the region on a number of issues, such as providing, on a limited scale, medical services in its hospital in Naqoura and other positions in the area of operations, distributing used clothing collected by non-governmental organizations that provide shelter, food and drinking water in hardship and emergency situations, as well as heating oil for the poor during the winter; UNIFIL also cooperates with the Economic and Social Commission for Western Asia in providing technical assistance to South Lebanon and with the United Nations Development Programme in the implementation of the Post-Conflict Economic Rehabilitation Programme for Southern Lebanon. **Taking this information into account, the Committee points out that the programme of work of UNIFIL reflected in its proposed budget should encompass all mandated activities authorized by the Security Council.**

B. Resource requirements

1. Military and police personnel

Category	Approved 2003/04	Proposed 2004/05
Military contingent personnel	2,000	2,000

14. An increase in resource requirements of $115,600, or 0.3 per cent, in comparison with the apportionment for the current period, is proposed under military and police personnel for 2004/05. The increase is due to the higher cost of rations, which is estimated at $7.13 per person per day, compared to the current cost of $6.13. The mission anticipates that the increased cost of rations will ensure better quality of food products in the rations. **The Committee commends the mission for its efforts to improve the quality of rations. The Committee points out, however, that proper management procedures and practices, such as increased competition during the bidding process and tighter control at the various stages of food production and transportation, should be the main tool in improving food quality in rations.**

2. Civilian personnel

Category	Approved 2003/04	Proposed 2004/05
International staff	124	124
National staff	305	348

Recommendations on posts

15. *Reclassification of a national General Service post to a national Professional officer post (associate political affairs officer), in the Office of the Force Commander.* The Committee notes, from paragraphs 7 and 8 of the budget document (A/58/659), that the reclassification is being proposed, owing to the fact that "UNIFIL now requires extensive interactions with the Lebanese Government and non-government authorities, for which staff at the national officer level are the most suitable" and that "National Officers will liaise with official and unofficial parties in the area of operations on issues related to operational and security matters and will analyse and keep the Force Commander abreast of political and socio-economic developments". **The Advisory Committee recommends acceptance of the proposed reclassification.**

16. *Conversion of 45 individual special service agreements into 45 national posts (fixed-term contracts under the 100 series) in the areas of engineering, procurement, general services, transport and communications* (see A/58/659, para. 9). The Committee was informed, upon enquiry, that the functional breakdown of the 45 posts is as follows: 16 interpreters/translators, 2 information technology technicians, 6 radio technicians, 6 communications assistants/switchboard operators, 1 liaison/humanitarian assistant, 1 cook, 6 drivers and 7 skilled maintenance workers (1 carpenter, 1 welder, 2 tilers, 1 design engineer, 1 heavy engineering vehicle

mechanic and 1 assistant sewage truck operator). As indicated in paragraph 9 of the budget document, "an overall survey by the Department of Peacekeeping Operations revealed that these posts pertain to core functions on a continuous basis, for which the current individual contracts are not appropriate". **The Advisory Committee has provided extensive comments on this matter in its general report on peacekeeping operations (A/58/759). Taking those comments into account, the Advisory Committee is not convinced that sufficient justification for the proposed conversion has been provided in the budget submission or orally during its consideration of the budget. Therefore, the Committee does not recommend acceptance of the proposed conversion.**

17. *Abolition of two national General Service posts in connection with self-sustainment arrangements for the Ghanaian contingent for cleaning and laundry services* (see A/58/659, para. 10). **The Advisory Committee has no objection to the proposal.**

18. *Reclassification of one national General Service post to a national Professional officer post, (associate procurement officer/civilian administrative representative in Beirut) Administrative-Procurement Office in Beirut (UNIFIL House)* (see A/58/659, paras. 11 and 12). The Committee notes that the Beirut Office has evolved into the centre for administrative, procurement and protocol matters and that 97 per cent of goods and services are now channelled through Lebanon, compared to 36 per cent in the year before the withdrawal of the Israel Defense Forces. The budget submission lists the responsibilities of the national Professional officer post as follows: researching the market and vendor performance, evaluating and selecting suppliers, analysing responses to tenders and authorizing purchases, in line with delegated authority, or preparing submissions to the Contracts Committee. **The Advisory Committee recommends acceptance of the proposed reclassification.**

19. The Advisory Committee exchanged views with representatives of the Secretary-General on the conversion of the contractual status of staff in peacekeeping missions from the 300 series of the Staff Rules to the 100 series. As regards UNIFIL, the Committee was informed that the cost implications for conversion of the contractual status of staff members from the 300 to the 100 series of the Staff Rules in the period 2004/05 was not included in the budget estimates for 2004/05 for the mission. The comments of the Committee on this issue are contained in its general report on peacekeeping operations.

Other observations and recommendations

20. The Advisory Committee sought information on UNIFIL staff on temporary duty assignment to other missions and headquarters. According to the Secretariat, 106 international staff (1 P-3 and 105 FS) and 41 local staff were on such assignment as at February 2004. The Committee notes that some staff remain on temporary duty assignment for as long as 10 years, moreover, the number of Field Service staff on temporary duty assignment (105) exceeds by 29 posts the authorized level of 76 Field Service posts for UNIFIL. The Advisory Committee was informed, upon enquiry, that the temporary duty assignment situation in the mission did not have an adverse effect on UNIFIL activities. The administration recognized, however, that there may be a time delay before a staff member on temporary duty assignment is replaced; but as UNIFIL is a family mission, it is, in general, not

difficult to attract candidates for replacements and these new arrivals bring to UNIFIL their experience from another duty station. **Nevertheless, the Committee is of the view that the temporary nature of staff assignments to other missions should not be compromised. The Committee requests that measures be taken to improve the temporary duty assignment situation at UNIFIL and reported on accordingly in the next budget submission for the mission (see also the Advisory Committee's general report, A/58/759).**

3. Operational costs

Apportioned 2003/04	*Proposed 2004/05*
$21,371,800	$20,104,700

Official travel

21. The estimate for official travel for 2004/05 amounts to $376,100, reflecting a decrease of $50,300, compared with the amount of $426,400 apportioned for 2003/04 (see A/58/659, sect. II.1). The total of $376,100 includes a provision of $150,000 for training-related travel. The Committee notes from the supplementary information provided to it that the estimated total of $226,100 for official (non-training) travel would be required for within-mission travel ($50,000), travel of UNIFIL personnel to headquarters and other locations ($99,700) and travel of headquarters staff to the mission ($76,400).

22. **The Committee finds information on travel provided to it to be rather vague. In future, information provided to justify proposed travel should be directly linked to specific activities/outputs implemented by the Force.**

Training

23. Training requirements are estimated at $350,000, including training-related travel of $150,000. The Committee observes from the supplementary information provided to it that the description of training courses is largely vague and is usually given for the whole groups of staff without specifying who exactly will undergo what type of training. For example, 20 staff of the Communications and Information Technology Section (current staffing — 39 posts) will undertake technical training and seminars in Brindisi and Lebanon; 10 staff of the Supply Section (current staffing — 14 posts) will take logistic support and inventory management courses in Brindisi and other European locations as centrally arranged and coordinated by the Department of Peacekeeping Operations; 100 staff of the Personnel Section (current staffing — 17 posts) would undergo core competencies training in UNIFIL to build and maintain the professional and managerial competences and skills of staff.

24. **The Committee questions the basis on which the mission determined the number of staff that should undergo training. The Committee is also concerned that no indication is given as to what would be achieved as a result of the training programmes. The Committee points out that this approach to presenting training requirements is not consistent with the principles of the results-based budgeting.**

25. **The Advisory Committee requests that information on training requirements to be submitted to it in the future should, inter alia, contain a brief description of training courses with an indication of specific areas of staff training and results that are expected to be achieved in terms of the impact of such training on outputs and activities implemented by the Force. In this connection, the Advisory Committee draws attention to the recommendation of the Board of Auditors that the Administration evaluate the effectiveness of training actions in order to assess whether they have met individual and organizational goals.**[1]

Ground transportation

26. The estimate for ground transportation for the period ending 30 June 2005 amounts to $5,485,000, a decrease of $1,281,800 or 18.9 per cent, in relation to the apportionment for the current period. The variance, as explained in paragraph 22 of the proposed budget, is due mainly to lower costs of vehicle acquisition, resulting from the need to replace trucks and mobile equipment with light vehicles, and to the usage of the car-log system that should result in efficiency gains of 10 per cent in the cost of maintenance costs and spare parts, as well as in petrol, oil and lubricants. The Committee was informed that the car-log system would enable the mission to have full control of vehicle movements, such as logging for each trip, fuel consumption control, physical location (security) and anti-theft features. **The Committee commends the efforts taken by UNIFIL in installing and maintaining the car-log system in the mission area and requests that other missions that currently do not have car-log systems consider installing them, when feasible and cost-effective.**

27. The Committee notes that the number of vehicles provided by UNIFIL for international staff exceeds the recommended standard ratios. For example, while the standard ratios of the number of staff to the number of vehicles are 2.5 for international substantive staff, 2.5 for international support staff of the Division of Administration and 4.5 for other international staff, the mission's projected ratios are 1.0 for international substantive staff (4 vehicles for 4 staff), 1.2 for international staff of the Division of Administration (67 vehicles for 80 staff) and 3.0 for other international staff (12 vehicles for 35 staff). **The Committee requests that the mission take the necessary measures to bring its vehicle assignment into conformity with the standard ratios.**

Other supplies, services and equipment

28. The estimated requirements of $2,114,200 under other supplies, services and equipment reflects an increase of $479,600 over the apportionment of $1,634,600 for the current period. The Committee notes from the supplementary information provided to it that this increase is due mainly to additional requirements of $428,000 under miscellaneous claims and adjustments, which compares with the apportionment of $150,000 for the current period. The increased requirements are due to outstanding claims carried over from the previous financial years that are expected to be settled during the 2004/05 financial period. According to the Secretariat, the estimates for miscellaneous claims are based on current and anticipated claims resulting from the downsizing and restructuring of UNIFIL and the return of privately owned real property to landowners. **The Committee is concerned that its acceptance of the estimated requirements may be construed**

as a prejudgement of the outcome of the claims negotiation process. Moreover, savings under actual claims negotiated in the performance report demonstrate a tendency on the part of the administration to overbudget this item. It is for these considerations that the Advisory Committee does not recommend the proposed additional requirements of $428,000 under miscellaneous claims and adjustments. The Committee trusts that the mission will negotiate the settlement of all outstanding claims under the most favourable conditions and with minimum cost to the Organization. The Committee also requests that detailed expenditures related to settlement of outstanding claims be reflected in the performance report for the period 2004/05.

Assets management

29. **The Committee welcomes the efforts of UNIFIL that have resulted in the timely write-off and disposal of redundant and outdated equipment.** The Committee notes that the value of property pending write-off and disposal decreased from $28.4 million, as at 30 June 2002, to $10.9 million, as at 30 June 2003. The Committee was informed during its consideration of the budget estimates that the mission had donated written-off equipment, such as computers and printers to other United Nations agencies, funds and programmes and to local schools. **The Committee welcomes this approach and encourages other United Nations peacekeeping missions to follow it, when feasible. At the same time, the Committee is concerned about the Board of Auditors' finding that "redundant items awaiting disposal were not properly stored and protected from natural elements at the United Nations Interim Force in Lebanon, which could result in the decrease of any potential disposal income to be obtained on disposal thereof" (see A/58/5 (vol. II, para. 52 (e))). The Committee requests that UNIFIL take the necessary steps to improve the storage of redundant items.**

V. Conclusions of the Advisory Committee

30. The action to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 16 of the performance report (A/58/637). **The Advisory Committee recommends that the unencumbered balance of $4,445,700, as well as other income and adjustments in the amount of $11,343,000, be credited to Member States in a manner to be determined by the General Assembly.**

31. The action to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 28 of the proposed budget (A/58/659). **In view of its comments above, the Advisory Committee recommends that the estimated budget requirements be reduced from $94,741,200 to $92,960,300.**

Documentation

- Performance report on the budget of UNIFIL for the period from 1 July 2002 to 30 June 2003 (A/58/637)
- Proposed budget for UNIFIL for the period from 1 July 2004 to 30 June 2005 (A/58/659)
- Progress reports of the Secretary-General to the Security Council on UNIFIL (S/2004/50) and (S/2003/728)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financing of UNIFIL (A/57/772/Add.6)
- Security Council resolution 1525 (2004)
- General Assembly resolutions 56/214 B and 57/325 on the financing of UNIFIL
- Report of the Board of Auditors on the accounts of United Nations peacekeeping operations for the financial period ended 30 June 2003 (A/58/5 (vol. II))

Notes

[1] *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 5* (A/58/5), vol. II, para. 255.

Annex

Actual expenditures for the United Nations Interim Force in Lebanon for the period from 1 July 2003 to 30 June 2004

As at 29 February 2004

(Thousands of United States dollars)

Category	*Apportionment*	*Expenditures*
Military and police personnel		
Military observers	-	-
Military contingents	40 521.4	37 376.8
Civilian police	-	-
Formed police units	-	-
Subtotal	**40 521.4**	**37 376.8**
Civilian personnel		
International staff	15 022.0	11 845.7
National staff	13 084.8	7 312.8
United Nations Volunteers	-	-
Subtotal	**28 106.8**	**19 158.5**
Operational costs		
General temporary assistance	48.0	46.8
Government-provided personnel	-	-
Civilian electoral observers	-	-
Consultants	-	-
Official travel	426.4	198.3
Facilities and infrastructure	7 124.4	4 813.7
Ground transportation	6 766.8	1 323.2
Air transportation	1 444.9	908.9
Naval transportation	-	-
Communications	1 213.3	888.0
Information technology	1 300.7	672.7
Medical	763.1	521.0
Special equipment	649.6	562.3
Other supplies, services and equipment	1 634.6	1 250.1
Quick-impact projects	-	-
Subtotal	**21 371.8**	**11 185.0**
Gross requirements	**90 000.0**	**67 720.3**
Staff assessment income	3 799.1	2 675.7
Net requirements	**86 200.9**	**65 044.6**
Voluntary contributions in kind (budgeted)	-	-
Total requirements	**90 000.0**	**67 720.3**